

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

102ND GENERAL ASSEMBLY

BILL NO: **SB 459**

March 5, 2021

SPONSOR (S): Martwick

SYSTEM(S): SERS

FISCAL IMPACT: There is no discernible fiscal impact associated with SB 459 as SERS' current practice of indemnifying banks in the case of deceased members would not change; it would only be given statutory validation.

SUBJECT MATTER: SB 459 amends the State Employees article of the Illinois Pension Code to allow indemnification of certain financial institutions by the State to recover overpayments made on behalf of a member. This legislation also removes a reporting requirement under the Social Security Enabling Act article.

COMMENT: According to SERS, the system will occasionally pay benefits to a bank account belonging to a deceased member one month after the member dies. The System had been indemnifying the banks during such recovery efforts, but the Office of the Attorney General recently opined that the System needs statutory authority to indemnify banks in such a manner.

Also, under current law, there is a report that SERS must file every biennium as it relates to the Social Security Enabling Act. The system says this report is burdensome to produce and they feel it is unlikely that many individuals benefit from the report. The System is seeking to eliminate this reporting requirement.

AB:bs

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